FROM $10 A WEEK TO A BUSINESS IN MILLIONS

Eldredge Reeve Johnson Took Squeak Out of a Talking Machine and Created a Great Industry

BACK in 1898 fate took him to a phonograph shop.

The invention was new then and it was the joy of visitors at Coney Island and similar resorts to listen in the phonograph rooms to the squeaking out of "Hail, Columbia" or "When the Roses Bloom Again, Sweet Genevieve." It seemed wonderful to have the music even imperfectly reproduced and it was screamingly funny to hear the wheezing and scratching that accompanied it.

Everybody said it was an amusing and astonishing toy. To young Eldredge Reeve Johnson, who had chanced to secure the job in a phonograph shop, it was not a toy. He realized its possibilities and made motors for his employers and improved on them. The firm said casually that his idea was good and they would have taken it up had the business not come to an untimely end just then.

For a period there was no more experimenting with the talking machine for Johnson, but the idea stuck in his head. Perhaps it was more like a dream than an idea, for the young mechanic seemed able to picture a good deal more than financial success in it.

When the firm failed Johnson emigrated to the West, where he had all kinds of adventures, but failed to make money. Finally when he was about down and out he came to the conclusion that he would rather starve among his own folk than off in a new country. So he sent his tools back by freight and bought his own ticket. When he reached Philadelphia the freight bill was unpaid and he had half a dollar in his pocket.

Without money and tools he turned to a friend, one of the kind fortunately that a man can trust in such an emergency. The friend gazed upon Johnson and then remarked:

"Well, Johnson, you are sure up against it. What do you say to our going into business?"

"We're both broke, so it seems just the thing. We can't lose and I think we are sure to make," was the reply.

With difficulty the young men scraped sufficient money together to take a little shop seventeen feet square in Camden, N. J., being too poor to aspire to business in the Quaker City.

From this little shop to an establishment covering fifteen acres of floor space, from an income of $10 a week—when there happened to be $10 available for the firm—to the control of a company that does a business of $30,000,000 a year is something of a record for fourteen years on a start of a shoestring. And the man who made it is Johnson, inventor and owner of the Victor talking machine.

When Johnson and his partner began doing business in Camden as machinists Johnson was the expert and his friend the financier. Ten dollars a week was the average wage of the expert, and if there was anything left the financier took it. As will be seen financially the firm was not a strong one, but the partners believed in each other and their motto was "Sink or swim together."

Johnson invented a wheat cleaning machine as a first effort and his partner attempted to sell it. He was only fairly successful, but if the firm had any idea of how very good the machine was they might have stuck to it until they won out.

Oil burners came next on the list of Johnson's inventions, and the partners came near making a fortune out of them. Customers seemed to think the burners the greatest invention of the age for economy. For three months the firm's troubles seemed over. Then complaints began to come in from customers. They said the burner got out of repair. The promoters discovered that it was the truth. It was not good as a permanency. For a short time it worked well, then went out of business. Finally a customer met with an accident with one of the burners and the trouble he made for the firm in consequence discouraged them from further sales of oil burners.

Back in Johnson's head all this time was simmering the talking machine idea. When they gave up the oil burners he talked the matter over with his partner, and as usual his partner agreed with him. He was at least of the opinion that Johnson's machine would be better than any on the market. But when Johnson began to describe the possibilities of the machine, to explain that it would bring the voices of great singers within the hearing of the poorest listeners and that it would enable every great voice to be heard a hundred years hence Johnson's partner shook his head and told the young inventor he was at least a trifle visionary.

"No, Eldredge," he remarked, "I know you will make a good machine, but you will never in the world get the squeak out of it. As curious toys people may buy them because they are curious. If we can make and sell 600 or so I think it would be a good scheme to do it."

Thereafter for nearly twenty-four hours of the day the inventor worked on his phonograph. One day he went to his partner excitedly and said:

"This time I've got it sure."

"When you say you have got a thing you are usually right," remarked the partner.

So together they turned to the machine which had been so often changed, so persistently and baffingly inaccurate. Johnson put on a record while his partner waited. Then Johnson turned a little crank and from the machine there came an almost squeakless sound. Johnson looked at his partner and the financier of the firm returned the glance.

"I take back all I said about the squeak," remarked his partner.

The two men knew what the machine meant. It was not difficult for them to picture luxury, pleasure, everything in life worth while. Johnson had arrived.

Fortunately at this time the firm had some money, which had come in from a job of repairing ballot boxes. One thousand dollars was in the treasury, less what Johnson's partner had spent to buy a gun. He loved to shoot and Johnson had insisted when this money was paid that his partner should indulge himself with a gun, as he did believe in self-abnegation all the time, and $10 a week had been a pretty large percentage of the net receipts of the firm for the inventor to withdraw. But the gun was not a very expensive one and there was considerable money available.

Johnson's partner sailed immediately for London, while the inventor stayed in the shop and worked day and night to get the machine nearer perfection. In London the graphophone people listened to what the partner played. Then they remarked:

"We will pay Mr. Johnson what he likes for the European rights of his invention."

The partner thought it would be a good idea to cable Johnson of his success and he did so without delay. From that time to the present the graphophone company and the Victor people have controlled Mr. Johnson's invention.

This is briefly the story of how a man started a new industry and sent his products all over the globe. His invention has recorded the great voices of the day and the songs and folk tales of fifty-nine different languages and dialects.

Eldredge R. Johnson.

Fourteen years ago not a singer of reputation would touch the talking machine business. Then Johnson and his partner had very little to offer singers in the way of remuneration. Referring to this one day Mr. Johnson remarked: "I remember that we had no place for the singers to record in except a loft that you got to with a ladder. I would scurry around and get some poor devil to come and sing for a dollar or two in real money and then I'd push him up the ladder and try to get a record. At times the voices would record, at others only failure crowned our efforts.

"It gives me a queer feeling sometimes when I think of those early days as I watch Melba, Farrar, Tetrazzini, Caruso and other noted stars singing in our laboratory to-day. At times when I note these vocalists at work I recall a woman I hired to sing for us in the beginning. I can picture her now, a good natured, stout creature who had 'come in the rain without an umbrella to sing for a dollar or so. In her hat she had a long feather and it hung over her ear, dripping water on the floor of the loft.

"Gracious, what a time I had getting her up that ladder! But she was good hearted and didn't mind. Moreover, she enjoyed singing into the machine so much that she wanted to come back every day and work for us.

"As we could not unfailingly rely on our machinery to give the proper effects there were times when everything went wrong. Then it was a case of 'If at first you don't succeed, try, try again.' Hundreds of times it seemed as if I could not stand another failure.

"I would talk over my failure with my partner and he would encourage me. Never was a sharp word exchanged between us. Nothing but sympathy was ever bartered through all that time of disappointment and struggle."

In Mr. Johnson's opinion nothing has boomed the invention more than the trade mark, the little dog listening to his master's voice with his head to one side and wondering why under the sun the beloved presence delays to come out of the horn. The world over everybody knows the dog. There is an interesting story back of the way in which the dog came into the Victor family.

Originally the drawing was offered by a young artist to a great firm in London. The manager looked at it and remarked that he did not regard it favorably, but he would show it at the directors' meeting. In a bored fashion the directors eyed it and then concluded that it was not serviceable. When the artist called for a decision the manager told him that the picture was not available. He noticed the young man's disappointment sympathetically and remarked:

"Around the corner there is a little firm who might like to see it. They may feel it will do something for them."

The "little firm" happened to be the London ally of the Victor concern and they did think the dog would help. They were quite right. As few trademarks have done it caught the popular fancy and has held it.

The way the Victor plant has grown in Camden illustrates graphically the prompt triumph of the machine. Up to a short time ago when most of the old buildings were torn down it was a rambling, overgrown looking place. The company had bought all the land and buildings for several blocks, but it was difficult for the old concerns to find time to move and the Victor factory shot up amid small buildings bearing strange names.

About three years ago the old cabinet building became too small. Then the firm planned a new shop covering a good deal of ground and three stories high. This was regarded as large enough, but before the three stories were up it was decided to build four. No sooner were the four completed than it seemed wise to put up a one story addition in the rear. The one story addition was not finished before it was seen that it would have to be run up the entire four stories. But even as this was being done orders kept pouring in to such an extent that the management found it wisest to make both the original building and the addition not four but six stories high.

Everything is made by the company in its own shops. In the machine shop queer little engines that are considerably more than human in their accuracy and swiftness turn out bushels and bushels of screws, enough for all the carpenter work in the world it might seem. There is a cabinet factory where the combination of machinery and skilled hand work puts together and smooths and carves innumerable rows of cabinets. There are the testing rooms, where every record and every part of machinery has to be tested before being sent out. There is the room where the shellac mixture is made for the disks. The company is the largest buyer of shellac in the world. There are offices by the score where the accounting is done, and then in the centre of all is the recording laboratory.

At the end of this room there is a cabinet which looks not unlike the boxes out of which mediums evoke spirits and through the black draped little window horns stick out, not at all suggestive of what is in process. No feature of the laboratory is more interesting than the arrangement of the orchestra of sixteen pieces. This orchestra is composed of first class musicians, who receive high salaries. They would look natural enough when they play if they sat around as orchestras usually do, but instead the musicians are perched on stools at varying heights. Some are near the ground and others aloft on little platforms. This arrangement is followed because the carrying power of the instruments differs.

When the orchestra is ready for work the singer takes his position at a horn, singing directly into it. He stands so close that the voice sounds very faint to those who are seated at the back of the room.

For a time when a record is being made all goes well. Then tap, tap goes the baton of the leader against his music rack and the music stops. None of the listeners has heard anything wrong and they wonder the cause of the interruption. The conductor explains that one of the violins has attacked a note too soon. The fault was so slight that scarcely any one would have noticed it, but this little mistake would be magnified many times in the record. Consequently a record must be much more perfect than any concert or operatic performance. It demands absolute perfection, and the best singers occasionally fail, some frequently. Fortunately errors are not expensive if caught at once. If the record has been passed before the mistake is found it becomes an expensive matter. So no chances are taken by the orchestra leader.

The music is recorded on a 'disk that catches every tiny sound vibration. This disk is made of some soft substance, one of the secrets of the laboratory. The record made the disk is carried to the electrotyping department and has various things done to it. A matrix is made from it and from this again another is made.

The original matrix is much too precious to be used for printing disks. It is stored away in a fireproof vault. Mr. Johnson's dream that a great voice need never die is realized. There are over 20,000 such records in the vaults of the factory—good for centuries to come.

A feature of the talking machine which has always excited curiosity is the part which gives out the sound, the melody. It is a small disk of mica about two inches in diameter. The world has been searched for mica of a sufficiently high grade to be used for this purpose. If there is roughness, brittleness or any defect in the mica it may go to pieces. Every vibration marked by the voice on the disk is conveyed to the mica and this in turn produces sound waves exactly like those that made the marks on the disk. These vibrations are so slight that they cannot even be seen with a microscope.

The business done by the company is enormous, and has jumped year by year. In 1901 the sales were $3,000,000, in 1903 they had doubled, in 1905 they had again doubled, in 1907 they were $27,000,000. During the panic times they dropped 25 per cent., but by 1909 they were back again at $27,000,000 and this year it is predicted they will surpass that mark, as the factory is working full blast every day.

In a peculiar way the whole business is Mr. Johnson's. There is not a mechanic in the factory who does not know that his chief understands the work on which he is engaged better than he does himself. This is not remarkable when it is recalled that every part of the talking machine was created and originally made by Mr. Johnson with his own hands.

He Was a Penniless Machinist Fourteen Years Ago—Some of His Previous Inventions That Failed

THAT CHEERFUL CLIMB TO FAME.

ONLY DOWN AND OUTERS MADE RECORDS IN OLD DAYS.

GAMBLING MADE POSSIBLE BY POLICE PROTECTION, ACCORDING TO EVIDENCE FROM MANY SOURCES

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of Rosenthal's house and he moved out in terror. But a few days later he moved into the same building occupied by "Beansey." Then there was war.

Somebody complained to Headquarters and Rosenthal was raided. He moved all his stuff back the next day and both places were allowed to run unmolested for some time. The owner of the building, a brewer, was asked why he allowed gamblers to occupy his premises.

"They pay more rent than tailors and hairdressers," was his reply, "and they pay in advance. I'm not afraid of the liability law which makes property owners criminally responsible. It isn't worth a nickel."

So the tin horn sports kept on with their games until some of them moved into 126th street. The gangsters went with them, all on the payrolls—either because of intimidation or for the reason that politicians or police had so decreed. Gip the Blood, one of the alleged slayers of Rosenthal, found himself out of a job. He walked into a poolroom kept by a trainer of prizefighters and said:

"You guys has got to put me on de payroll, see! T'ree dollars a day!"

Then he named an East Side politician who, he said, would set the cops on the place if his demand wasn't heeded. Gip didn't have his gun with him and the reply he received was a first class beating, coupled with the promise of another if he ever darkened the doors again. He never came back.

The Harlem game wasn't much for the same reasons that the East Side game failed. So the crowd set up the battle cry:

"To Forty-second street and Broadway!"

That was the first move that finally resulted in the killing of Rosenthal. The cheap gamblers defied the police and the big gamblers. They said they'd get protection anyway. Their appearance caused a smashing of existing conditions. Influential bluecoats discovered that they couldn't deliver the goods, for Becker and his strong arm squad began prying into things and raiding unexpectedly.

An old politician, once a friend of a Tammany leader, appealed to a certain inspector. He said he could get a bank roll if he could receive permission to open.

"Go ahead," said the inspector, so the widely circulated story goes.

Waiting with money to invest was a slick young fellow known as a repeater at elections and a handy man for politicians to have at their beck and call. This individual, it seems, had picked up $25,000 in easy money by exercising quick judgment. He had guaranteed protection for a certain gambling house, receiving a third interest from two well known operators. The son of a rich grain speculator, who became noted on the racetracks for his plunging methods, lost the above sum playing the wheel one night and as he was leaving the house he said to the "protector":

"To whom shall I make out a check?"

"To me," was the reply, the protector giving his name.

The check was cashed early the next day before the other partners in the game were awake, and to them was sent the word that the "protector" was through.

A part of this money was put up as backing for the old politician. To be exact $4,000, it is alleged, was handed over to the inspector. The house opened up for business the next day. It was expensively fitted up and runners were sent out to drum up trade.

Two days later word came for the place to close up. The inspector was asked why. Because, he is said to have declared, a raiding lieutenant of police was getting busy, and besides he didn't like the man who had furnished the bankroll. But the $4,000 didn't come back, although an earnest request was made for it.

The man who lost this money took part in one of the first attempts to shake down bookmakers after the passage of the anti-race track laws. It was at a track on Long Island that he appeared before the races one day and demanded $250 from each bookmaker.

For whom was he acting? Not the police, for the inspector in charge announced that he had been instructed not to interfere. But soon this inspector was quietly informed that if he didn't raid the bookmakers, who had refused to give up, he would find himself in serious trouble. In came several mounted policemen and all betting ceased. The man who had demanded tribute from the bookmakers was repudiated by certain county officials and the next day he was barred from the track.

Rosenthal's squeal on Becker was not his first effort in that line. Several years ago he tried to open a gambling house at Arverne. He was notified by Inspector John Flood that he couldn't operate. Rosenthal promptly visited the office of an afternoon newspaper and there unfolded an alleged plot to ruin him. He said that Arverne already had a big gambling place controlled by influential politicians, and among the names he mentioned was that of a prominent borough official. Rosenthal said the police were in with the play and naturally wanted to keep him out of it.

The story published the next day was written by the man now acting as Commissioner Waldo's secretary. It was vigorously denied and soon the matter was dropped. But that was Rosenthal's game all the way through. If he couldn't run he squealed, and was ready to implicate almost anybody.

"You coppers are a lot of petty larceny grafters," he exclaimed at Sheepshead Bay racetrack one afternoon just after the Agnew-Hart laws went into effect. He had been warned to confine his operations to friends, but he boldly refused.

"These coppers want to take your eyeballs," he continued loudly. "They will bet their heads off with you and if the horse wins they'll be the first to collect. But if they lose they just laugh and bet some more. They don't dare to arrest me because I'll have them broke. They know who is behind me all right."

Rosenthal, Bald Jack Rose and Webber were all field bookmakers at one time. They laid prices in the cheap enclosure, where dollar bets were plentiful. They were constantly under surveillance because their records indicated a tendency to welsh if they overplayed themselves.

The field bookmakers and those operating in the big betting ring were separated by a high fence just as the line was drawn through Forty-second street between the high class gamblers and the East Side crowd. But when the East Siders went over the line they killed the gambling business. Some of the big fellows closed up.

"There's nothing in the game any more," said a veteran wheel spinner to the writer recently. "Those cheap screws with their 50 cent methods have put us all out of it.

"Five dollars used to be the lowest price for a stack of roulette chips, but these guys will take a dollar. There is so much fussing and confusion that the big houses can't get a play. The men with money are afraid of squealers and consequent arrests. Cops who guarantee protection can't make good. Yet they collect just the same if you try to open up.

"You'll find it's true that the wealthy fellows who used to drop in after a show and play the wheel or the bank go to their clubs for a game of auction bridge. The poker rooms are starving to death. The poolrooms are no good because the sharks are the only players. If they can't beat the races run in Canada or Maryland on the level they tap the wires or get the information in advance some other way.

"A good sized room ought to win $500 on busy days, but when there's a loss the room has got to pay the cops and the bunch of hangers on just the same. If it becomes known that a room is well ahead of the game the expenses are increased so that there's nothing left for the backer.

"Since the tracks closed there's been more poolroom betting than ever before, but it's all done by the small bettors—the clerks who can't afford it; the barbers, bartenders, waiters, street car conductors and others. The big bettors who used to be seen at the tracks are gone. It's just a cutthroat game in which the grafters get the sure money. Any poolrooms open to-day are run to draw business for klondyke, stuss and craps.

"You can say that the best class of gamblers do not approve of the methods of the shoestring crowd. The latter talk shop in the open and boast of the political influence behind them. They are too ready to tell what they know about the coppers.

"That isn't the way the big fellows have conducted themselves. They have kept their lips sealed and have protected those who have protected them. All this hue and cry is caused by a lot of men who have no right in the gambling business.

"These East Siders, for that matter, are not gamblers at all. They are sure thing men. They don't want to lose a dollar if they can help it. Their games are fixed and their followers are cowardly gun fighters. There isn't one of them who would stand up and fight with nature's weapons. They'll break a man's leg or head for a ten dollar note and it seems that they'll kill if they are properly approached.

"In Bill Devery's day this element would have been driven out of town in a week. He wouldn't have spared the night stick in chasing them away. You never heard of gunmen, burglars and cheap crooks in Devery's time. Too bad that the real gamblers who mind their own business and never squeal have to suffer because of the highway robbery tactics of the blood suckers."

"I hope they'll get all the murderers of Rosenthal and put them in the chair," said another gambler of the older type. "When it becomes necessary to shoot a man down in cold blood to prevent him from telling tales, it's time to get out of the business.

"Meanwhile every gambling house and poolroom in the city is closed tight. Only the poker rooms are running and the police never bother with them."

Louis (Bridgie) Webber is said to owe his rise to an East Side politician, now dead. This politician took him up several years ago and put him in the way of making money. Webber, like others of his class, was useful around election time. He was bolder than the rest and when he opened a stuss game over on Second avenue he was never fearful of arrest. When his friend and benefactor died Webber had made $100,000.

As to convictions of gamblers there have been few. Richard Canfield pleaded guilty several years ago and was fined $1,000. So was David Bucklin. But Canfield never paid a penalty for conducting his famous club at Saratoga, where big men of the turf and other men prominent in all walks of life bucked the tiger on a large scale. Gambling at Saratoga, for that matter, always had class. It was the best to be found and all of it was on the level. The clubhouses were patronized by men and women who in many cases went there to dine rather than to speculate.

On the Saratoga plane some of New York's biggest gambling houses have been conducted in striking contrast to the cheap places in which gangsters backed by politicians and coppers have earned a precarious livelihood.